

**Memorandum of Understanding for
Technical Cooperation in the Areas
of Renewable Energy Sources,
Environmental Improvement,
Climate Change and Biodiversity,
under agreement between the
California Environmental
Protection Agency, of the State of
California, in the United States of
America and the State Secretariat
for the Environment, of the State of
São Paulo in the Federal Republic
of Brazil.**

Whereas the states of California and São Paulo are both responsible for the major share of economic production in their countries, representing 15 and 30 per cent of their respective GDPs;

Whereas both states are the most populous of their respective countries, with each having more than 35 million inhabitants;

Whereas both states possess regions with some of the most serious air pollution problems in their respective countries – those being the Greater Los Angeles Area and the San Joaquin Valley, in California, and the São Paulo Metropolitan Region, in the State of São Paulo;

Whereas vulnerability to global climate change moved both states to develop initiatives to control emissions of CO₂ and other greenhouse gases;

Whereas pro-active efforts to mitigate greenhouse gas emissions and improve energy efficiency are of great economic interest to both states;

Whereas both states are leaders in initiatives to reduce vehicle emissions in their respective countries;

Whereas both states are leaders in the introduction of alternative fuels aimed at lowering the levels of said emissions;

Whereas the exchange of information, training and technology transfer, and even of basic education, need to be intensified and accelerated to bring them up to date in terms of growing changes observed in the environmental field; and

Whereas the governments of São Paulo and California, by way of their respective environmental control agencies, have been making efforts to reduce air pollution through

such means as Decree No. 48.523/2004 in São Paulo and *Executive Order No. S-3-05* in California,

ALAN LLOYD, SECRETARY OF THE CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY OF THE STATE OF CALIFORNIA IN THE UNITED STATES OF AMERICA, and PROF. JOSÉ GOLDEMBERG, STATE SECRETARY FOR THE ENVIRONMENT OF THE STATE OF SÃO PAULO IN THE FEDERAL REPUBLIC OF BRAZIL, sign this Memorandum of Understanding for Technical Cooperation in the Areas of Renewable Energy Sources, Environmental Improvement, Climate Change and Biodiversity, between their two states, seeking to:

1. reduce the ill effects of air pollution both in California and in São Paulo;
2. mitigate the threat global warming represents to the economies, people and ecosystems of the two states; and
3. obtain the economic benefits of cleaner policies that are pro-active and more ambitious than other measures already in effect.

Seeking to attain these objectives, the present Memorandum of Understanding makes viable the development of activities between the State of California and the State of São Paulo in the areas indicated below, and as described in the Attachment, through the *California Environmental Agency – Cal-EPA* and the Secretariat of the Environment of the State of São Paulo – SMA and its environmental agency, the Environmental Quality Technology Agency – CETESB, on the following topics:

1. **Air Quality:** the two states recognize that clean air is a basic condition for economic viability and the health of their inhabitants. São Paulo has adopted an air quality management program similar to the one established by the *Clean Air Act* in California. *Cal-EPA* shall share its experience with the SMA and CETESB on the implementation of clean air legislation.
2. **Greenhouse Gas Emissions and Energy:** the two states have been gaining substantial economic benefits from increased energy efficiency and pollution reduction. The interest of their economies and their accumulated experience move both states to share methodological approaches and research in areas such as alternative fuels, renewable energy and energy efficiency.
3. **Dedicated Bus Lanes:** In both states, transportation is the principal cause of air pollution. Plans to reduce overall vehicle emissions must include increased use of public transportation. Dedicated bus lanes (known in California as Bus Rapid Transit – BRT) are a flexible and cost-effective alternative to the subway. BRT is a mature technology with highly successful systems in operation throughout the Americas and in parts of Asia. Bus lanes were developed in Brazil and São Paulo is home to some of the world's leading experts on the subject, who can share their experience with California.

4. **Forests:** The two states are home to numerous forested areas that play an important role in carbon sequestration and the preservation of biodiversity. Thus, both the SMA and *Cal-EPA* reaffirm their commitment to protecting these areas. Wherever possible – and with support from other relevant agencies "e.g., State of California Department of Forestry and Fire Protection," São Paulo and California shall share information and methods to preserve their forest stocks and to recovery deforested areas.
5. As a result of their experience gained and of the proposed technological exchanges, the two states shall explore the possibilities for emissions offset programs through the Clean Development Mechanism set up by the Kyoto Protocol.
6. The two states shall also consider a short-term educational program focusing on new environmental issues raised by the present Memorandum of Understanding.

The present Memorandum of Understanding, signed in two identical copies, in Portuguese and in English, shall take effect on this date for a term of three years, and shall be renewable for two more years if the governments of the two states so desire.

Montreal, Canada
December 5th, 2005

**ALAN LLOYD, SECRETARY OF THE
CALIFORNIA ENVIRONMENTAL
PROTECTION AGENCY**
State of California

**PROF. JOSÉ GOLDEMBERG
STATE SECRETARY FOR THE
ENVIRONMENT**
State of São Paulo